PROVINCE OF SASKATCHEWAN

07-08

ANNUAL REPORT

SASKATCHEWAN TEACHERS' SUPERANNUATION COMMISSION

Superannuation
Dental

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Letter of Transmittal

The Honourable Ken Krawetz
Minister in Charge
Teachers' Superannuation Commission

Sir:

The Teachers' Superannuation Commission has the honour to submit the Annual Report outlining activities under *The Teachers' Superannuation and Disability Benefits Act* for the year ending June 30, 2008; and *The Teachers' Dental Plan Act* for the period ending December 31, 2007.

Respectfully submitted,

Dr. Derwyn Crozier-Smith
Chairperson

2007 – 2008 Annual Report

The Saskatchewan Teachers' Superannuation Commission
300 – 3085 Albert Street
Regina, Saskatchewan S4S 0B1

submits the:

Seventy-eighth Annual Report with respect to
The Teachers' Superannuation and Disability Benefits Act for the Year Ended June 30, 2008 and

Twenty-third Annual Report with respect to
The Teachers' Dental Plan Act
for the Year Ended December 31, 2007

Message from the Chairperson

On behalf of the Teachers' Superannuation Commission, I am pleased to present the 2007-08 Annual Report of the Saskatchewan Teachers' Superannuation Commission.

In this report, you will find the following information:

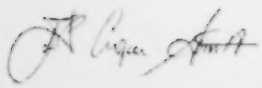
- The composition of the Commission and its role
- The Commission's mission, mandate and objectives
- Member information including the number of active teachers and pensioners in the plan
- How the pension plan is invested and the returns for the period ending June 30, 2008
- Details of the Teachers' Dental Plan and statistical data on claims as at December 31, 2007
- The annual financial statements as at June 30, 2008, audited by the Provincial Auditor

The following are some key highlights of Commission achievements for 2007-08. The Commission approved a number of documents that will assist it in fulfilling its fiduciary role as it relates to governance of the plans it is entrusted to administer. The governance documentation approved by the Commission includes a revised Governance Manual, Risk Assessment and Management Plan, Strategic Plan and a Communication Plan. As part of its governance process, the Commission participated in a risk assessment and management workshop with an external consultant and the administrative team. The Commission reviewed the performance of investment returns as it compares with its benchmarks by meeting with its external investment consultant and the plan fund managers.

The Commission members will continue to enhance their existing knowledge of pension governance, investment and serving the plan stakeholders and members to the best of their abilities.

The Commission acknowledges with sincere appreciation, the administrative team whose efforts resulted in another successful year of service to the membership.

The Commission also expresses its appreciation to the Saskatchewan Teachers' Federation, the school boards and regional colleges and the administrative staff within the Ministry of Education for their respective contributions to the success of the Commission.



Dr. Derwyn Crozier-Smith
Chairperson, Teachers' Superannuation Commission

Profile

The Teachers' Superannuation Commission (TSC, the Commission) is established under *The Teachers' Superannuation and Disability Benefits Act*.

The Minister of Finance is the trustee of the Teachers' Superannuation Fund (TSF) while the TSC is charged with administration of *The Teachers' Superannuation and Disability Benefits Act*, *The Teachers' Dental Plan Act*, and *The Teachers' Life Insurance (Government Contributory) Act*.

The Province of Saskatchewan sponsors the TSF, with contributions also coming from plan members who are represented by the Saskatchewan Teachers' Federation (STF). *The Teachers' Superannuation and Disability Benefits Act* is a negotiable matter under *The Education Act, 1995*.

The Teachers' Superannuation Plan was closed in July 1980, and a new plan was created, now known as the Saskatchewan Teachers Retirement Plan, for which administration has been transferred to the STF.

As at June 30, 2008, the TSF has actuarial net assets available for benefits of $1.406 billion, actuarial accrued pension benefits of $4.956 billion, and an unfunded liability of $3.550 billion.

More on-line at www.stsc.gov.sk.ca

Plan Governance at a Glance

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Teachers' Superannuation Commission

Mission

The Commission's mission is to provide pensions and benefits for plan members through prudent stewardship of assets and liabilities and effective plan administration in accordance with current legislation.

Mandate

To attain this outcome, our organizational mandate is to administer the various Acts to ensure the provision of retirement and negotiated benefits to teachers. The various Acts (and regulations thereto) are:

- *The Teachers' Superannuation and Disability Benefits Act*
- *The Teachers' Life Insurance (Government Contributory) Act*
- *The Teachers' Dental Plan Act*

The TSC is not subject to the *Pension Benefits Act, 1992* except in relation to investments.

Objectives

Our specific objectives associated with this organizational mandate are:

- Communicate information and guidance to plan members
- Collect pension contributions from all participating teachers
- Accept additional contributions for the Voluntary Contributions Fund
- Calculate and distribute retirement benefits to teachers, spouses and dependents of deceased teachers
- Assess, review and provide disability benefits to eligible teachers
- Monitor the performance of the pension fund investments
- Negotiate and administer reciprocal transfer agreements with other jurisdictions
- Maintain appropriate financial records of the affairs of the Plan
- Manage accurate and timely dental claims administration in conjunction with the service carrier
- Administer the insurance claims associated with death and dismemberment in conjunction with the service carrier

Governance

The Commission reviewed its governance manual that is posted on the website. This manual is the key document directing the Commission's governance activity during the year. The manual facilitates the planning and tracking of progress in areas such as ongoing board education, strategic planning, board-self assessment, and in monitoring administration operations and management. The manual also addresses various overarching matters such as: conflict of interest, risk management, investment policy and monitoring, roles and responsibilities, and code of conduct.

Accountability

The TSC issues this annual report including audited financial statements supported by an actuarial opinion.

Commission Members

The TSC is responsible to the Minister in Charge for the administration of *The Teachers' Superannuation and Disability Benefits Act*, who at present is also the Minister of Education (the Minister).

The TSC consists of seven members appointed by the Lieutenant Governor in Council:

- Three members are nominated by the STF executive committee
- Three members are nominated by the Minister
- A Chairperson nominated by the other six members

Appointments are typically for a term of five years and are eligible for reappointment.

Marlys Tafelmeyer was appointed to the Commission May 3, 2005 and stepped down from the Commission on December 5, 2007. The Commission gratefully recognizes Ms. Tafelmeyer's contribution.

A replacement has been nominated to fill the vacancy on the Commission created by Ms. Tafelmeyer's departure. The nomination from the Ministry of Education is Clint Repski. The Order of Council for the appointment of Mr. Repski was approved on August 20, 2008.

Commission members as at June 30, 2008 with background credentials are:

Derwyn Crozier-Smith, B.Ed., B. Arts,, M.Ed., Ph.D. Chairperson Former STF General Secretary, Former STF Executive Assistant	
Brian Smith, B.Arts, M.E.S Assistant Deputy Minister Ministry of Finance	**Daryl Nordick, B.Ed., B.Arts, P.G.D., M.Ed.** Executive Assistant Saskatchewan Teachers' Federation
David Tulloch, B.Admin., B.Arts., M.B.A. Director, Finance Ministry of Education	**George Georget, B.Arts, B.Ed., P.G.D.** Executive Assistant Saskatchewan Teachers' Federation
	Shirley Humphries, B.Sc., B.Ed., M.Ed., Ph.D., CEBS Executive Assistant Saskatchewan Teachers' Federation

	Meeting attendance	Expiration of term
Derwyn Crozier-Smith	12 of 12	August 29, 2011
Brian Smith	12 of 12	October 22, 2012
Daryl Nordick	10 of 12	September 28, 2010
David Tulloch	11 of 12	March 13, 2012
George Georget	10 of 12	October 22, 2012
Marlys Tafelmeyer	2 of 3	May 3, 2010
Shirley Humphries	12 of 12	February 1, 2012

Commission member role and responsibilities

- Fulfill the mission statement
- Administer the Plans in compliance with governing legislation
- Determine any question as to the application of *The Teachers' Superannuation and Disability Benefits Act*
- Review all applications for disability benefits
- Establish investment policy and monitor investment performance
- Promote awareness and understanding of the Plans
- Monitor management and administration of the Plans
- Report annually to the Minister of Finance

Administration

The TSC employs an Executive Director and staff required for administration of the various legislation and commission policies and is independent from management.

The administrative team representing 12.9 full time equivalent employees is responsible for all the administrative functions that result in meeting the objectives outlined earlier and includes the strategic and operating unit work plans, financial and business decisions, evaluation of results against these plans, and reporting of activity to Commission members. Refer to the governance manual for further elaboration of management's roles and responsibilities.

The administrative team also highlights certain policy decision items to the Commission members, including relevant recommendations, and respond to requests for information or onward execution as requested by Commission members.

Administration works very closely and cooperatively with the Saskatchewan Teachers' Federation to ensure seamless delivery of consistent, high-quality services to teachers across the province. This is particularly true in relation to the annual retirement planning sessions facilitated by the Saskatchewan Teachers' Federation. Collaboration on these retirement oriented activities ensures the teachers of Saskatchewan have the opportunity to be informed through group and one-on-one counseling sessions.

Management formally communicates to Commission members on the operational activities at the regularly scheduled meetings, in addition to ad-hoc communications on various matters. Certain Commission members conduct formal and informal performance evaluation of management against established objectives.

The $1.426 million operating budget of the Commission is paid out of monies appropriated by the Legislature.

Consultants

The TSC, as part of fulfilling its fiduciary duty in relation to the assets of the funds and as part of good governance, may acquire specialist competencies. This may include the engagement of technical, professional or other advisor, specialist or consultant services. Given the specialist knowledge required in investment management, defined benefit plan valuations and calculations, and pension administration software, the TSC does engage a number of outside consultants and advisors.

Actuarial consulting firms assist with the development of the investment policy guidelines, propose assumptions and perform the calculations of benefits for marriage breakdown, commuted value payments, and actuarial present value for the purpose of transfer agreements. Actuarial services are also required in preparing a valuation of the Plan and for cash flow projections. The current actuary for the plan is Aon Consulting.

Investment managers provide the necessary expertise in managing the pension assets in compliance with the asset mix guidelines to ensure risk-adjusted returns are maximized and achieve performance at or above the established performance benchmarks. Quarterly performance reports and presentations are provided to Commission members. Greystone Managed Investments are responsible for managing the assets with the exception of private equity managed by GE Asset Management.

State Street Corporation, the investment custodian, provides compliance reporting on a quarterly basis and all results are reported to Commission members.

Hewitt Associates, the investment advisor assists in monitoring performance of the investment managers. Reports and presentations are provided to Commission members quarterly.

When required, legal consultation is provided by either the Ministry of Justice or private legal counsel. Legal advice provided to the Commission ensures all legal obligations are fulfilled.

Specialized information technology services are purchased to ensure the critical pension administration system, retirement management and payroll systems, disability systems and backbone network systems are securely maintained.

Valuation

The Commission has historically reviewed the valuation assumptions bi-annually and does so in consultation with the actuary. The 2007 valuation, and current extrapolation to June 30, 2008, assumes that the interest rate for valuation purposes be 5.6% per annum for 7 years, 5.4% per annum for the next 7 years, 5.2% per annum for next 8 years, and 5.0% per annum thereafter. The phased declining interest rate represents the increasing mix of implicit public sector debt (which has a lower cost) versus pension assets in relation to the funding status of the pension liabilities. The financial statements in this report are based on an extrapolation of the June 30, 2007 valuation results. The total unfunded liability as at June 30, 2008 is $3.550 billion.

The government remains fully committed to meeting its legal obligation to the teachers of Saskatchewan to pay pensions in accordance with the provisions of *The Teachers' Superannuation and Disability Benefits Act.*

Investments

The segregated funds of the Teachers' Superannuation Fund assets and all of the Voluntary Contributions Fund (together known as the Teachers' Superannuation Plan or the "Plan") are held in trust by State Street Corporation, custodian of the investments on behalf of the Plan. Custodial fees of $80,196 (previous $72,539) and $406,694 (previous $472,995) for brokerage fees were paid to State Street Corporation for 2008. Greystone Managed Investments Inc. is responsible for investing the funds. Investment fees paid to Greystone Managed Investments Inc. for 2008 were $3,430,296 (previous year $3,586,858). Investment management fees for private equity paid to GE Asset Management for 2008 were $366,400 (previous year $514,117). State Street Corporation is also the custodian for the pooled fund investments on behalf of Greystone and its sub-advisors Goldman Sachs Asset Management and Hansberger Global Investors.

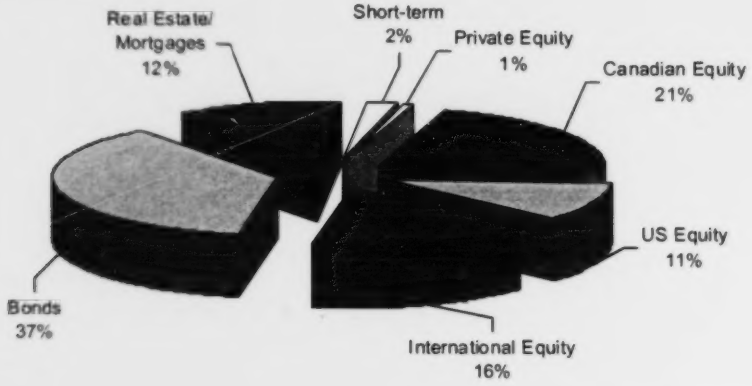
The TSC with the assistance of the investment manager, investment consultant, and actuarial consultant develop investment policies, strategies and objectives for each fund of the Plan. The Investment Policy & Objectives Statement (IP&OS) details the asset mix guidelines, and a benchmark portfolio against which the performance of the investment managers is measured. Individual asset class performance is also measured against their relevant, respective indices. The current IP&OS is posted on the website.

Short-term and long-term objectives for investment performance are outlined in the Investment Policy and Objectives Statements (IP&OS), and active investment management has been chosen to achieve these results. The short-term objective is to achieve a total fund return in three out of four years of 1% above the 91-day Treasury Bill return. The relative long-term objective is to achieve a total rate of return 10% greater than the respective benchmark portfolio return for the respective fund.

IP&OS asset mix guidelines for the TSF as at June 30, 2008

	Minimum %	Maximum %
Canadian Equities, Large Cap	10	25
Canadian Equities, Small Cap	0	10
Total Canadian Equities	***10***	***35***
U.S. Equities, Large Cap (Unhedged)	0	15
U.S. Equities, Small/Mid Cap (Unhedged)	0	6
International Equities (Unhedged)	0	30
Total Foreign Equities	***0***	***35***
Private Equity	0	7
Total Equities	***30***	***60***
Nominal Bonds and Short Term	30	60
Real Return Bonds	0	5
Mortgages	0	5
Total Fixed Income	***30***	***60***
Real Estate	0	12

TSF portfolio asset mix at June 30, 2008



TSF Rates of Return – Periods to June 30, 2008						
	1 Year		4 Years		10 Years	
Asset class	Return	Bench mark	Return	Bench mark	Return	Bench mark
	%	%	%	%	%	%
Canadian Equity	**5.7**	**6.8**	**21.1**	**16.6**	**14.2**	**9.0**
U.S. Equity	**-7.3**	**-16.8**	**1.0**	**-2.1**	**0.2**	**-0.8**
International Equity	**-13.2**	**-14.8**	**6.9**	**5.4**	**1.8**	**2.0**
Bonds	**7.2**	**6.8**	**6.0**	**5.6**	**6.4**	**6.0**
Real Estate	**14.9**	**n/a**	**21.0**	**n/a**	**15.1**	**n/a**
Total Fund	**2.3**	**-0.3**	**10.3**	**7.7**	**7.8**	**5.9**

As part of the annual review of the IP&OS, the TSC's investment consultant undertook a Long-Term Asset Study that evaluates the risk and return profile for a large number of portfolio scenarios. A key aspect of risk is managed through adequate portfolio diversification. Working in conjunction with the asset manager, investment consultants and actuary, the desired risk-adjusted return is established.

Pension Administration Systems

The pension administration software is crucial for the tracking of service, contributions, refunds, purchases, crediting of interest to teacher accounts and pension estimates.

During the year, upgrades to the administration software took place to ensure the underlying operating systems are actively supported by the various providers, and to permit increases in capacity and web-accessibility in the future. Risk related to data and system conversion are appropriately planned and managed to ensure data and system integrity.

The Commission contracts with two long-term outside information technology providers, ESTI Consulting Services and James Evans Associates (JEA) Limited. These two service providers possess the current and specific competencies needed to manage the risks effectively.

Risk Management

There are a number of risks pertaining to pension plan administration. The TSC, as part of governance processes, adopted a risk assessment and management plan whereby key risks are identified, along with identification of how risks will be managed and who is responsible. The outcome of this approach is to provide cost-effective management of risk and to create opportunities to add value.

Communication

Timely and transparent communications are an essential element of good pension governance. The TSC strives to achieve effective communication with its teacher members.

Federal and Provincial legislation in the area of privacy along with the implementation of the Privacy Framework within the Province will not only serve to protect the interests of teachers but mitigate the related risks and concerns. This privacy legislation is impacting communication not only in relation to what type of information is communicated from the pension plan, but also in assessing what the Commission collects directly from members.

In addition to this annual report and the annual statements to members, the TSC website and email have become increasingly important as the preferred tools of communication and information exchange. The website provides considerable information:

- Downloadable forms for Dental, Group Insurance, Disability, Reciprocal Transfers, personal information change forms
- Information, including Frequently Asked Questions on Dental, Pension, Disability and Group Insurance
- Various legislative Acts and Regulations administered by the Commission
- Policies and responsibilities adhered to by the Commission
- Actuarial valuation reports
- Financial projection
- Recent annual reports and annual statement letters
- Contact information
- Governance manual
- Strategic Plan
- Investment Policy & Objective Statement

More on-line at www.stsc.gov.sk.ca

Teachers' Superannuation Plan

The Teachers' Superannuation Plan was inaugurated on July 1, 1930 and became a closed plan in 1980. The Teachers' Annuity Plan was established for new teachers who had not previously taught in Saskatchewan and certain teachers who chose to transfer from the old formula plan. Through provincial negotiations, the Annuity Plan later became the Saskatchewan Teachers Retirement Plan (STRP) administered by the Saskatchewan Teachers' Federation.

Highlights

As at June 30	2008	2007
Active Members	2,255	2,672
Inactive Members	4,780	4,873
Pensioners/Survivors	10,594	10,310
Disability Recipients	290	313
July 1 Retirements	225	268
Total Members	18,144	18,436

From July 1, 2007 to June 30, 2008 a total of 468 (previous year 390) new allowances were granted.

On January 1, 2008 a Cost of Living Allowance increase of 1.6% (previous year 1.7%) was applied to pension allowances and disability benefits.

The investment earnings of 14.11% (previous year 16.78%) were credited to teachers in the Teachers' Superannuation Fund.

The Teachers' Superannuation Commission administers a Voluntary Contributions Fund, which allows active teachers to make additional tax-deductible contributions that are invested separately from the mandatory superannuation contributions.

The investment earnings of 5.02 % (previous year 13.17%) were credited to the Voluntary Contributions Fund. There are 130 members with contributions in the Voluntary Contributions Fund.

Teachers' Group Life Insurance Plan

Effective 2008, the Teachers' Group Life Insurance Plan 2007-08 Annual Report will be tabled under separate cover.

Teachers' Dental Plan

The Teachers' Dental Plan was implemented effective January 1, 1986 for Saskatchewan teachers. The Minister of Finance, on behalf of the Government of Saskatchewan, is responsible for all the costs associated with the dental plan. The Teachers' Dental Plan is a benefit provided to all eligible teachers and their families for dental care promoting health and wellness. Teachers with regular or temporary contacts are eligible for dental coverage as well as their spouse and dependants. Dependents 21 years of age to the age of 26 continue to be eligible for coverage provided they are in full-attendance at an educational institution. Teachers receiving disability benefits under the STF Income Continuance Plan and/or the Teachers' Superannuation Plan are covered under the Plan.

Dental Coverage

The Plan provides Saskatchewan teachers and their dependants with coverage for Preventive, Routine and Major Restorative dental services. It also provides orthodontic services for dependant children only.

Level I – Preventive Services – 100% of the eligible charge.
Level II – Basic and Routine Services – 85% of the eligible charge.
Level III – Major Restorative Services – 60% of the eligible charge.
Level IV – Orthodontic Services – 50% of the eligible charge to the maximum of $2,000 per child per lifetime. (Dependent children only)

Insurance Carrier

The dental plan is administered by Sun Life Assurance Company of Canada on an Administrative Services Only (ASO) basis under Group Policy # 25273. Teachers can electronically submit or mail claims directly to Sun Life for processing. Dental forms can be downloaded from the internet on the website www.stsc.gov.sk.ca/forms/ . Sun Life can be contacted at their toll free number 1-800-361-6212 or online at www.sunlife.ca.

Highlights

For the period ending December 31, 2007, Sun Life processed 51,280 (previous year 50,103) dental claims.

For the period ending December 31, 2007, the government paid $8,916,587 (previous year $8,621,757) in premiums for dental benefits.

Dental claim forms and additional information on the dental plan regarding costs, benefits after termination, pre-treatment estimates, coordination of benefits, maximum reimbursement levels, dependent coverage, how to make a claim, fee changes, etc., are available on-line at www.stsc.gov.sk.ca/dental/ .

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Teachers' Superannuation Commission
Management Report, 2008

The management of the Teachers' Superannuation Commission is responsible for the integrity of the accompanying financial statements and all other information in this Annual Report. In Canada, it is the responsibility of management to prepare financial statements in accordance with Canadian generally accepted accounting principles.

The integrity of the financial records from which these financial statements are prepared is largely dependent on the systems of internal accounting controls. The purpose of such systems is to provide reasonable assurance that transactions are executed in accordance with proper authorization, transactions are appropriately recorded in order to permit preparation of financial statements and assets are properly accounted for and safeguarded against loss from unauthorized use. Underlying this concept of reasonable assurance is the fact that limitations exist in any system of internal accounting controls based on the premise that the cost of such controls should not exceed the benefits derived there from.

The accrued pension benefits and actuarial value of net assets available for benefit are determined by an actuarial valuation and extrapolation. Actuarial valuation and extrapolation reports require best judgement in order that the financial statements reflect fairly the financial position of the Plan. The actuary's opinion for the Teachers' Superannuation Plan for the June 30, 2007 valuation and the extrapolation of the valuation results to June 30, 2008, appear on page 18.

The financial statements have been audited by the Provincial Auditor of Saskatchewan. The report to the Members of the Legislative Assembly, stating the scope of the examination and opinion on the financial statements, appears on page 19.

The financial statements have been examined and approved by the Commission.

Doug Volk, BA, PPAC
Executive Director

Sharlene Arklie, CGA
Senior Manager, Financial Operations

Regina, Saskatchewan
October 8, 2008

Actuary's Opinion

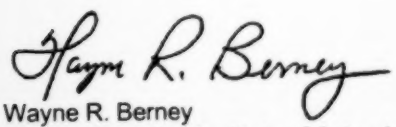
Aon Consulting was retained by the Saskatchewan Teachers' Superannuation Commission (the "Commission") to perform actuarial valuations of the assets and liabilities of the Saskatchewan Teachers' Superannuation Plan and the Saskatchewan Teachers' Disability Benefits Plan (the "Plans") as at June 30, 2007. Aon Consulting was further retained to prepare extrapolations of the valuation results to June 30, 2008 for inclusion in the Annual Report with respect to *The Teachers' Superannuation and Disability Benefits Act* for the Year Ended June 30, 2008.

The valuation and extrapolation of the Plans' actuarial assets and liabilities were based on:

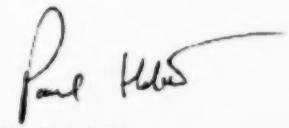
- Membership and asset data provided by the Commission as at June 30, 2007;
- Financial Statements as at June 30, 2008 provided by the Commission; and
- Methods prescribed by the Canadian Institute of Chartered Accountants for pension plan financial statements; and
- Assumptions about future events (economic and demographic) which were developed by management and Aon Consulting and are considered as management's best estimate of these events.

While the actuarial assumptions used to estimate liabilities for the Plans' financial statements contained in the Annual Report represent management's best estimate of future events, and while in our opinion these assumptions are reasonable, the Plans' future experience will differ from the actuarial assumptions. Emerging experience differing from the assumptions will result in gains or losses that will be revealed in future valuations, and will affect the financial position of the Plans.

We have tested the data for reasonableness and consistency with prior valuations and in our opinion the data is sufficient and reliable for the purposes of the valuation and the extrapolation. We also believe that the methods employed in the valuation and extrapolation and the assumptions used are, in aggregate, appropriate. Our opinions have been given, and our valuation and extrapolation have been performed in accordance with accepted actuarial practice.



Wayne R. Berney
Fellow, Canadian Institute of Actuaries
Fellow, Society of Actuaries



Paul Hebert
Fellow, Canadian Institute of Actuaries
Fellow, Society of Actuaries

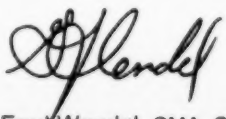
October 8, 2008

Auditor's Report To The Members Of The Legislative Assembly

I have audited the statement of net assets available for benefits and accrued pension benefits and unfunded liability of the Teachers' Superannuation Plan as at June 30, 2008 and the statements of changes in net assets available for benefits, and changes in accrued pension benefits for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits and accrued pension benefits and unfunded liability of the Plan as at June 30, 2008 and the changes in the net assets available for benefits and changes in accrued pension benefits for the year then ended in accordance with Canadian generally accepted accounting principles.



Regina, Saskatchewan
October 8, 2008

Fred Wendel, CMA, CA
Provincial Auditor

Teachers' Superannuation Plan
Statement of Net Assets Available for Benefits and Accrued Pension Benefits and Unfunded Liability

Statement 1

As at June 30

($ 000s)	2008			2007		
	Superannuation Fund	Voluntary Contributions Fund	Total	Superannuation Fund	Voluntary Contributions Fund	Total
ASSETS						
Cash	$ 21	$ -	$ 21	$ -	$ -	$ -
Due from General Revenue Fund (Note 3)	78	9	87	-	12	12
Accrued investment income	5,481	-	5,481	5,871	-	5,871
Investments (Note 4):						
Bonds and debentures	568,810	-	568,810	654,324	-	654,324
Short – term	25,113	-	25,113	45,762	-	45,762
Equities	337,456	-	337,456	387,487	-	387,487
Pooled Funds	388,083	4,222	392,305	474,496	3,963	478,459
Mortgages	1,040	-	1,040	1,106	-	1,106
Real estate	185,271	-	185,271	166,685	-	166,685
Private equity	23,013	-	23,013	16,803	-	16,803
	1,534,366	4,231	1,538,597	1,752,534	3,975	1,756,509
Contributions receivable:						
Teachers	1,523	-	1,523	1,353	-	1,353
General Revenue Fund	27,655	-	27,655	18,903	-	18,903
	29,178		29,178	20,256	-	20,256
Total assets	$ 1,563,544	$ 4,231	$ 1,567,775	$ 1,772,790	$ 3,975	$ 1,776,765
LIABILITIES						
Accounts payable	$ 908	$ 1	$ 909	$ 989	$ 1	$ 990
Due to General Revenue Fund (Note 3)	-	-	-	313	-	313
Total liabilities	908	1	909	1,302	1	1,303
Net assets available for benefits	1,562,636	4,230	1,566,866	1,771,488	3,974	1,775,462
Actuarial asset value adjustment	(157,094)	-	(157,094)	(400,413)	-	(400,413)
Actuarial value of net assets available for benefits	1,405,542	4,230	1,409,772	1,371,075	3,974	1,375,049
Actuarial accrued pension benefits (Statement 3)	4,955,952	4,230	4,960,182	4,834,769	3,974	4,838,743
Unfunded Liability	$ 3,550,410	$ -	$ 3,550,410	$ 3,463,694	$ -	$ 3,463,694

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan
Statement of Changes in Net Assets Available for Benefits

Statement 2

Year Ended June 30

($ 000s)	2008			2007		
	Superannuation Fund	Voluntary Contributions Fund	Total	Superannuation Fund	Voluntary Contributions Fund	Total
INCREASE IN ASSETS:						
Investment Income:						
Interest	$ 39,133	$ 1	$ 39,134	$ 41,457	$ 1	$ 41,458
Dividends	8,490	-	8,490	8,221	-	8,221
Pooled Fund Distributions	53,260	266	53,526	25,536	251	25,787
Total investment income	100,883	267	101,150	75,214	252	75,466
(Decrease) Increase in fair value of investments	(69,232)	(62)	(69,294)	196,837	215	197,052
Contributions:						
General Revenue Fund other contributions	32,767	-	32,767	95,549	-	95,549
Teachers	11,600	97	11,697	12,775	58	12,833
General Revenue Fund matching contributions	11,194	-	11,194	12,635	-	12,635
Other transfers and contributions	3,161	-	3,161	2,366	-	2,366
Total contributions	58,722	97	58,819	123,325	58	123,383
Total increase in assets	$ 90,373	$ 302	$ 90,675	$ 395,376	$ 525	$ 395,901
DECREASE IN ASSETS:						
Marriage breakdown payments	$ 441	$ -	$ 441	$ 307	$ -	$ 307
Allowances to superannuates	285,844	-	285,844	273,046	-	273,046
Refunds and transfers	8,656	41	8,697	8,861	137	8,998
Investment expenses (Note 7)	4,284	5	4,289	4,169	4	4,173
Total decrease in assets	$ 299,225	$ 46	$ 299,271	$ 286,383	$ 141	$ 286,524
(Decrease) Increase in net assets	(208,852)	256	(208,596)	108,993	384	109,377
Net assets available for benefits, beginning of year	1,771,488	3,974	1,775,462	1,662,495	3,590	1,666,085
Net assets available for benefits, end of year	$ 1,562,636	$ 4,230	$ 1,566,866	$ 1,771,488	$ 3,974	$ 1,775,462

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan
Statement of Changes in Accrued Pension Benefits

Statement 3

Year Ended June 30

($ 000s)	2008 Superannuation Fund (Note 8)	2007 Superannuation Fund (Note 8)
Accrued pension benefits, beginning of year	$ 4,834,769	$ 4,800,550
INCREASE IN ACCRUED PENSION BENEFITS:		
Interest on accrued benefits	276,029	268,831
Benefits accrued with interest	54,032	55,504
Impact of assumption changes	58,299	-
Impact of plan experience	36,022	-
	424,382	324,335
DECREASE IN ACCRUED PENSION BENEFITS:		
Benefits paid with interest	303,199	290,116
Accrued pension benefits, end of year	$ 4,955,952	$ 4,834,769

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan
Notes to the Financial Statements

June 30, 2008

1. Status of the Commission

The Saskatchewan Teachers' Superannuation Commission administers a pension plan, the Teachers' Superannuation Plan, consisting of the Teachers' Superannuation Fund and the Voluntary Contributions Fund (hereafter collectively referred to as the Plan). The Teachers' Superannuation Fund is used to account for the net assets accumulated for the defined benefit final average pension plan for teachers who commenced service prior to July 1, 1980. The Voluntary Contributions Fund is a money purchase fund, used to account for the net assets accumulated for teachers' voluntary contributions.

Description of the Plan

The following description is a summary only. For more complete information, reference should be made to *The Teachers' Superannuation and Disability Benefits Act* (the Act).

Teachers' Superannuation Fund

a) Funding Policy

Members are required to contribute 6.05% of their salary subject to Canada Pension Plan contributions, and 7.85% on the remainder of their salary. The Government's General Revenue Fund (GRF) pays into the Teachers' Superannuation Fund an amount equal to the amount contributed by members. Also, the GRF pays into the Teachers' Superannuation Fund other contributions pursuant to section 9(4) of the Act. Section 9(4) of the Act requires the GRF to pay yearly an amount by which the allowances, transfers and refunds that are paid out in that fiscal year exceed the credited contributions of members with respect to whom an allowance commences or a refund or transfer is made in that fiscal year. These amounts do not include disability benefit payments.

b) Age and Service Allowance

The annual amount of pension is determined as follows:

- 2% of the five highest years salary times years of service (maximum 35 years)
- reduced at age 65 for Canada Pension Plan integration
- increased each January 1 by 80% of the increase in the Consumer Price Index

c) Interest Credited to Contributions

As of July 1, 1994, the interest credited to contributions is an annual rate determined by the Commission to be the annual rate of return earned from the investments of the Fund in a fiscal year, compounded annually. See Note 5 for determination of investment earnings.

d) Death Benefits

When a superannuate dies, the spouse receives 60% of the allowance plus a further 10% for each dependent child to a maximum of 25%. If there is neither a spouse nor dependent children, the nominee or estate receives a lump sum payment of the difference, if any, between the teacher's contributions and interest at retirement and the total pension paid to date.

e) Refunds

Refunds to teachers typically consist of the teacher's contributions and interest on those contributions.

Voluntary Contributions Fund

The Teachers' Superannuation Commission administers the Voluntary Contributions Fund. The Voluntary Contributions Fund allows active teachers to make contributions into the Fund, according to the limits set out in the *Income Tax Act (Canada)*.

The Voluntary Contributions Fund is credited with all voluntary contributions, any interest earned and any other revenue accrued from the investment of monies in the Voluntary Contributions Fund less investment expenses. The Voluntary Contributions Fund amount is reduced by amounts paid out at the time the teacher makes an application for a refund. If eligible, the accumulated contributions and interest earned are paid to the teacher, the teacher's nominee or to the teacher's estate.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant:

a) Investments

Investments in bonds and equities are recorded at fair value which are determined by reference to closing year end bid prices from recognized security dealers. Transactions in bonds and equities are recorded as of the trade date.

Investments denominated in foreign currency are translated at the exchange rate in effect at year end. Investment transactions and realized gains and/or losses are translated at the exchange rate in effect at the transaction date. Unrealized gains and losses resulting from exchange differences are included in the determination of the change in fair value of investments.

Pooled funds are recorded based on the net asset value per unit of the underlying investments determined using closing bid prices as at June 30, 2008.

Short-term investments are recorded at fair value.

Mortgages are recorded at fair value. Fair value is determined by discounting the present value of all income streams accruing to the mortgage. The interest rate applied to these income streams reflects the current market rate for comparable mortgages. Real estate and private equity are recorded at fair value as estimated by independent appraisals.

The fair value of the investments approximates the market value.

b) Actuarial Asset Value Adjustment

The actuarial asset value adjustment represents the difference between the actual and management's best estimate of return on the Superannuation Fund amortized over four years. Using this adjustment, fair value remains the underlying basis for asset valuation, but fluctuations are averaged over a four-year period. For years in between valuations, the actuarial asset value adjustment is extrapolated.

c) Change in Accounting Policy

In 2008, the Plan adopted Canadian Institute of Chartered Accountants (CICA) Emerging Issues Committee Abstract No. 168, Accounting by Pension Plans for Transaction Costs (EIC-168) which requires that pension plans not include transaction costs in the fair value of investments. Under EIC-168, transaction costs are included in the statement of changes in net assets in the period incurred. EIC-168 is required to be applied retrospectively, without restatement of prior periods, for fiscal years ending on or after December 31, 2007.

Prior to the adoption of EIC-168, transaction costs incurred were capitalized and added to the cost of securities purchased. No adjustment to opening equity was required because using market valuation processes, the transaction costs were already included in the decrease in market value of investments and therefore included in the statement of changes in net assets in the period. Upon adoption of EIC-168, transaction costs are expensed and presented as investment expenses in Note 7.

d) Recent Accounting Pronouncements

Effective July 1, 2008, the Plan will be required to adopt the Canadian Institute of Chartered Accountants (CICA) handbook sections 3862 – Financial Instruments – Disclosures and 3863 – Financial Instruments – Presentation. Section 3862 provides standards for disclosure of the risks arising from the financial instruments to which the Plan is exposed and how the risks are managed by the Plan. Section 3863 provides standards for the presentation of financial instruments and non-financial instrument derivatives. The Plan does not expect the adoption of these new standards to have a material impact on its financial statements.

3. Due From/To General Revenue Fund

The Plan's bank accounts are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. Under this arrangement, interest is calculated on the net position of all COBC accounts and is paid by the bank into the GRF.

The Funds' share of this interest is allocated and paid by the GRF on a quarterly basis into the Funds' bank accounts using the Government's thirty-day borrowing rate. The Government's average thirty-day borrowing rate in 2008 was 3.65% (2007 – 4.21%).

4. Investments

Due to the long-term horizon of the Plan's liabilities, the Plan takes a long-term investment perspective. The Commission's strategy is to invest cash flows from contributions, maturing debentures and investment returns into assets such as Canadian, foreign and private equities, pooled funds, money market securities, bonds, mortgages and real estate. The Plan's investments are exposed to the following risks:

a) Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities. The value of the Plan's assets is affected by short-term changes in nominal interest rates. Interest rate risk is managed by investing in bonds and debentures with varying durations.

b) Credit Risk

Credit risk arises from the potential for issuers of securities to default on their contractual obligations to the Plan. The Commission limits the credit risk by dealing with issuers that are considered to be high quality. The credit ratings used to describe the securities below are based on the Dominion Bond Rating Service and/or the Standard & Poor's Ratings Service.

c) Foreign Currency Risk

Foreign currency exposure arises from the Plan holding investments denominated in currencies other than the Canadian Dollar. Fluctuations in the relative value of the Canadian Dollar against these foreign currencies results in a positive or negative effect on the fair value of investments.

d) Market Risk

The Commission invests in publicly traded equities and bonds available on domestic and foreign exchanges. These securities are affected by market changes and fluctuations. The Commission manages market risk by investing in different domestic and foreign markets and through the establishment and review of asset mix ranges and limits for various investments. The Commission does not use derivative financial instruments to alter the effects of these market changes and fluctuations except through their use in pooled funds.

e) Liquidity Risk

The Plan is exposed to liquidity risk through its responsibility to pay pensions on a timely basis. The contributions from the General Revenue Fund as well as the majority of Plan investments provide sufficient liquidity to support the Plan's required cash flows without impacting Plan asset mix.

f) Real Estate Risk

Risk in the real estate portfolio is managed through diversification across real estate types and locations. Adverse impacts in any one segment of the market or geographic location are minimized by having holdings diversified across property type, geographic location and investment size.

Teachers' Superannuation Fund

The Act and the Plan's investment policy require that all the Fund's investments comply with the provisions of *The Pension Benefits Act, 1992*, which does not allow any one holding to represent more than 10% of the cost at the time of acquisition of the Fund's portfolio.

Short-term Investments

These investments are comprised of T-Bills, notes and commercial paper with effective interest rates of 1.47% to 3.37% (2007 - 4.16% to 5.20%) and a weighted average term to maturity of 131 days (2007 - 113 days). Interest is receivable at maturity.

Bonds and Debentures

The Plan's investment policy limits for this Fund its investment concentration in any one investee or related group to no more than 10% of that corporation's cost of outstanding bonds. Bonds must meet a minimum quality standard of BBB rating as measured by a recognized credit rating service.

For the Teachers' Superannuation Fund, the Plan invests in bonds that are considered to be high quality as described below.

		2008			2007		
	Years to Maturity	Fair Value ($000s)	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)	Fair Value ($000s)	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)
Federal Bonds							
Government of Canada	1-5	$ 118,517	3.51	3.98	$ 216,384	4.62	3.94
	6-10	5,990	3.82	4.25	67,127	4.57	4.29
	20+	30,531	4.46	5.08	55,943	4.47	5.51
Provincial & Provincially	1-5	28,016	3.96	5.34	16,384	4.74	6.32
Guaranteed Bonds	6-10	39,593	4.32	5.33	34,646	4.79	5.21
Other Provinces	11-15	35,622	4.61	5.97	46,619	4.90	4.92
	16-20	8,396	4.70	5.92	14,308	4.88	6.73
	20+	61,622	4.82	5.58	60,821	4.97	5.55
Saskatchewan	6-10	2,432	4.39	4.65	5,633	4.94	6.40
	20+	12,426	4.75	5.43			
Municipal	6-10	11,277	4.66	4.72	6,096	4.83	4.65
	20+	-	-	-	2,849	5.06	5.90
Corporate Bonds	1-5	88,673	4.85	5.07	67,520	5.03	4.98
	6-10	71,344	5.23	5.10	33,691	5.14	5.13
	11-15	20,516	5.72	5.65	15,671	5.47	5.09
	16-20	5,071	6.29	6.56	5,457	5.41	7.63
	20+	28,784	5.74	3.53	5,175	5.66	6.12
		$ 568,810			$ 654,324		

These bonds all meet the minimum quality standard of a BBB rating as measured by a recognized credit rating service. Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

		2008	2007
		(fair values) ($000s)	
Common Shares			
	Canadian	$ 233,878	$ 262,192
	Foreign	103,578	125,295
		$ 337,456	$ 387,487

The Plan's investment policy limits for this Fund any holding to represent no more than 10% of the outstanding shares of the issuing corporation.

The investment policy allows up to 35% of the Fund to be invested in foreign equities, including those held in pooled funds. At June 30, 2008, the Plan held 6.8% (2007 - 7.1%) in foreign equities and 19.8% (2007 – 21.1%) in pooled foreign equity funds.

Foreign equities and pooled funds are denominated in Canadian dollars. The Fund's equities include common shares that have no fixed maturity date and are generally not exposed to interest rate risk. Dividends are generally declared on a quarterly basis. The average effective dividend rate during the year was 2.34% (2007 – 1.91%).

Pooled Funds

The Fund holds units in pooled funds, which have no fixed interest rate, and its returns are based on the success of the fund manager. The Fund unit holdings are:

	Units Held		% of Total Units Outstanding		Fair Value		Investment Income and Change in Fair Value	
	2008	2007	2008	2007	2008	2007	2008	2007
	(000s)				($000s)		($000s)	
Greystone EAFE Plus Fund	26,043	24,053	15.49	19.20	$ 241,131	$ 298,865	$ (47,246)	$ 68,292
Greystone US Strategic Growth Fund	2,045	2,280	30.42	36.25	21,104	25,330	6,070	3,560
Greystone US Strategic Value Fund	4,154	4,105	30.56	34.35	40,427	48,129	(6,312)	2,952
Greystone US Midcap Growth Equity Fund	-	-	-	-	-	-	-	3,583
Greystone Canadian Small Cap Fund	7,983	7,701	33.00	56.92	85,421	102,172	(7,952)	27,947
					$ 388,083	$ 474,496	$ (55,440)	$ 106,334

The Greystone EAFE Plus Fund holds units in the Greystone EAFE Quantitative Fund and the Greystone EAFE Growth Fund. These funds may use derivative financial instruments such as equity index future contracts for managing its equity portfolio. Derivative financial instruments are financial contracts that change in value resulting from changes in underlying assets or indices.

Derivative transactions are conducted in over-the-counter markets directly between two counterparties or on regulated exchange markets. All derivative financial instruments are recorded at fair value using market prices. Where market prices are not readily available, other valuation techniques are used to determine fair value.

Mortgages

Investments in mortgages consist of Canadian properties. The net yield at the time of commitment is expected to exceed the yield on "A" rated bonds of similar terms by a minimum of 1.5% after administration fees. Principal and interest are received on a monthly basis.

Real Estate

Investments in real estate consist of Canadian property. Included in real estate are investments in related real estate corporations (see Note 7).

Private Equity

The Fund committed US$36 million, as a Limited Partner, to GE Asset Management Incorporated (GEAM), investment manager for investment in the GEAM International Private Equity Fund, L.P. representing US$437 million in total partnership commitments. One pension trust represents 50% of committed and invested funds with the fifteen Limited Partners representing the remaining 50%. The purpose of the Partnership is to invest in primarily private placement investments and through such investments provide its partners with current income and long-term capital gains. The private placements would be those of companies located and doing a substantial portion of their business outside of the United States. The Teachers' Superannuation Fund has 8.2% (2007 – 8.2%) of the committed and invested funds. As of June 30, 2008, the total value of the GEAM International Private Equity Fund, L.P. was $340 million US (2007 - $219 million US) and the Plan's share was $23.0 million CDN (2007 - $16.8 million CDN).

In 2007-2008, the TSC did not have representation on the GEAM International Private Equity Fund, L.P. Advisory Board. In 2006-2007, the former Executive Director of the TSC was a member of the GEAM International Private Equity Fund, L.P. Advisory Board. The advisory board does not participate in the management or control of the partnership and advisory board recommendations are not binding on the partnership.

Effective September 30, 2008, the Fund committed an additional US $37.5 million, as a Limited Partner, to GE Asset Management Incorporated (GEAM), investment manager for investment in the GEAM International Private Equity Fund II, LP. The purpose of the Partnership is to invest in primarily private placement investments and through such investments provide its partners with current income and long-term capital gains. The private placements would be those of companies located and doing a substantial portion of their business outside of the United States. To date, the Teachers' Superannuation Fund has not made any contributions to the GEAM International Private Equity Fund II, LP.

Voluntary Contributions Fund

Pooled Funds

The Plan holds for the Voluntary Contributions Fund units in pooled funds, which have no fixed interest rate, and its returns are based on the success of the manager.

The Voluntary Contributions Fund unit holdings are:

	Units Held		% of Total Units Outstanding		Fair Value		Investment Income and Change in Fair Value	
	2008	2007	2008	2007	2008	2007	2008	2007
	(000s)				($000s)		($000s)	
Greystone EAFE Plus Fund	22	16	0.01	0.01	$ 203	$ 200	$ (31)	$ 46
Greystone Canadian Fixed Income Fund	200	191	0.45	0.50	2,062	1,910	134	95
Greystone Canadian Equity Fund	37	35	0.07	0.10	1,137	1,131	89	286
Greystone US Equity Fund	18	19	0.15	0.22	204	230	(12)	23
Greystone Money Market Fund	62	49	0.32	0.64	616	492	24	16
					$ 4,222	$ 3,963	$ 204	$ 466

5. Teachers' Superannuation Fund - Determination of Investment Earnings for Administrative Purposes

The Commission determines investment earnings of the Superannuation Fund in order to establish what interest must be credited to teachers, and what interest teachers must pay when purchasing past service. The Commission has determined that only 25% of the current period change in fair values of investments (includes both realized and unrealized gains and losses) will be recognized as part of investment earnings. The remaining 75% will be recognized equally over the following three years as part of investment earnings. Interest and dividend income less investment expenses are fully allocated for the current year. The investment earnings rate was 14.11% (2007 – 16.78%) for the year.

6. Voluntary Contributions Fund - Earnings Allocation to Members

The Commission allocates all realized and unrealized gains/losses at year-end. During the year, the Commission allocated investment earnings less investment expenses of $199,776 to teachers' accounts (2007 - $462,260).

7. Related Party Transactions

These financial statements include transactions with related parties. The Plan is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Plan is related to non-Crown enterprises that the Government jointly controls or significantly influences.

a) Administration

In accordance with the Act, all expenses of the administration are paid out of monies appropriated for the Ministry of Education by the Legislature. Accordingly, no provision for these costs is included in the financial statements.

Expenses related to managing, investing or disposing of assets of the Plan are to be paid directly by each fund. The annual expenses for custodial, brokerage and investment management fees are:

($ 000s)	2008			2007		
	Superannuation Fund	Voluntary Contributions Fund	Total	Superannuation Fund	Voluntary Contributions Fund	Total
Custodial fees	$ 80	$ 1	$ 81	$ 72	$ 1	$ 73
Brokerage fees	407	-	407	-	-	-
Investment and asset management fees	3,797	4	3,801	4,097	3	4,100
	$ 4,284	$ 5	$ 4,289	$ 4,169	$ 4	$ 4,173

In 2008, transaction costs consisting of brokerage fees are expensed due to the change in accounting policy as described in Note 2c.

b) Investment Management Services

Greystone Managed Investments Inc. (GMI) provides investment management services to the Teachers' Superannuation Fund and the Voluntary Contributions Fund on a fee-for-service basis. The Teachers' Superannuation Fund is a shareholder in GMI. The Teachers' Superannuation Fund holds 223,811 common shares (2007 – 223,811 common shares) representing 13.94% of the total shares outstanding in GMI (2007 – 13.59%).

c) Investment Holdings

Teachers' Superannuation Fund

Included in the totals for bonds and debentures and income are Province of Saskatchewan holdings of $14,858,215 (2007 - $5,632,694) and interest income including change in fair value of $610,984 (2007 – $838,687). In addition, included in the totals for bonds and debentures and income are Greystone Capital Management Inc. holdings of $ nil (2007 - $200,000) and income including change in fair value of $4,392 (2007 - $18,392). The final installment of this bond was received in October 2007.

Included in the total real estate investment at year-end are SaskPen Properties Ltd. holdings of $3,210,989 (2007 - $6,797,058) and income including change in fair value of $1,915,136 (2007 - $2,175,121). In December 2007, the Plan reduced its investment in SaskPen Properties Ltd. from 20% to 7.7%. SaskPen Properties Ltd. was a real estate corporation owned by Government of Saskatchewan managed public sector pension plans until December 2007. After December 2007, the majority shareholders consist of a pension plan managed outside of Saskatchewan and a pooled real estate fund. Other transactions with related parties and the terms of settlement are described separately in the financial statements and the notes thereto.

8. Actuarial Valuation - Pension Benefits

The present value of accrued pension benefits was determined using the projected benefit method prorated on services and the best estimate assumptions of the Teachers' Superannuation Commission. Aon Consulting prepared an actuarial valuation of the Teachers' Superannuation Fund as at June 30, 2007, and an extrapolation was made to June 30, 2008.

The pension liability is based on a number of assumptions about future events including interest rate, rate of salary increase, inflation rate, mortality, retirement rates and termination rates. The actual rates may vary significantly from the long-term assumptions used.

The assumptions used in determining the actuarial value of accrued pension benefits were:

	2008	2007
▪ salary increases	5.0% for 07/08 4.0% for 08/09 3.5% thereafter	3.5%
▪ interest rate	5.6% / year for 7 years 5.4% / year for next 7 years 5.2% / year for next 8 years, and 5.0% / year thereafter	5.6% / year for 6 years 5.4% / year for the next 8 years 5.2% / year for next 8 years, and 5.0% / year thereafter
▪ inflation	2.5%	2.5%

The following illustrates the effect of changing certain assumptions from the assumed rates. For the salary and interest rate categories, the changes in assumption are independent of one another. The inflation category, however, is affected by other assumptions that have an inflation component. In the scenario of the 1% change in inflation, the assumptions for the interest rate, salary increase, Year's Maximum Pensionable Earnings (YMPE) and Canada Revenue Agency pension maximum are also changed by 1%.

Effect on Liability	Long-term assumptions					
	Salary		Interest rates		Inflation	
	2.5%	4.5%	4.6%-4.0%	6.6%-6.0%	1.5%	3.5%
Increase (decrease) ($000s)	$(7,766)	$8,050	$603,091	$(497,490)	$120,911	$(114,883)

Assumption changes arise when the assumptions change from the previous valuation to the current valuation. In the June 30, 2007 valuation, the changes in assumptions increased the accrued pension benefit by $58,299,000. The changes in assumptions include a decrease of $7,711,000 due to a change in the discount rate assumption, a change in the salary increase assumption including the service and promotion increase assumption amounting to $27,272,000, a decrease of $729,000 due to a change in the retirement scale and an increase in the change in the mortality rate of $39,467,000.

Net experience gains or losses result from the differences between actual and expected terminations, disabilities, retirements, salaries, YMPE, interest credited and deaths that occur between valuations. In the June 30, 2007 valuation, these experience gains or losses increased the accrued pension benefit by $36,022,000 which is primarily made up of $33,136,000 in experience losses from salaries, YMPE and interest credited, $27,352,000 in experience losses from mortality and offset by $21,120,000 in indexation experience gains. The remaining is based on other miscellaneous experience gains or losses.

9. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Teachers' Superannuation Commission. The Commission reviews the investment performance of the Funds in terms of the performance of the benchmark portfolio over four year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance, which assumes a full allocation of realized and unrealized gains and losses:

	2008 annual return	Rolling four-year average annual return
Teachers' Superannuation Fund [1]	2.3	10.3
Target rate of return [2]	-0.3	8.5
Voluntary Contributions Fund[1]	5.2	9.7
Target rate of return [2]	4.7	9.2

[1] The annual returns are before deducting investment expenses

[2] The Commission's weighted target rate of return for its investment portfolio (return on the benchmark portfolio plus 10%) has been determined, after the fact, using the weighted actual returns of certain market indices (for example – S&P/TSX Composite Index, DEX Universe Bond Index, etc.)

10. Disability Benefits

The annual amount of disability benefits is payable to a teacher who:

- is disabled because of total physical or mental incapacity for teaching;
- has 10 years of service;
- has at least three years of service in the five years preceding disablement; and
- has not attained age 65.

The annual amount of disability benefits is determined by applying the regular pension allowance formula. The disability benefits are indexed each January 1 by 80% of the increase in the Consumer Price Index.

Payments may be discontinued or reduced on recovery or re-employment. The allowance is recalculated at age 65 to include service while on the Saskatchewan Teachers' Federation Income Continuance Plan.

Section 38(2) of the Act states the disability benefits are a charge on and payable out of the GRF. The $5,797,523 (2007 - $6,136,854) in disability benefits flowed through the Teachers' Superannuation Fund for administrative purposes only and is not reflected in these financial statements. The GRF provided contributions equal to the disability benefits.

Disability Benefits - Actuarial Valuation

The present value of accrued disability benefits was determined using the projected benefit method prorated on services and the best estimate assumptions approved by the Teachers' Superannuation Commission. Aon Consulting prepared an actuarial valuation of the Teachers' Disability Benefits Plan as at June 30, 2007, and an extrapolation was made to June 30, 2008.

The actuarial present value of benefits as at June 30, 2008 and the principal components of change in actuarial present values during the year were as follows:

($ 000s)	2008	2007
Actuarial present value of accrued disability benefits, beginning of year	$ 31,132	$ 35,084
INCREASE IN ACCRUED DISABILITY BENEFITS:		
Impact of assumption changes	815	-
Impact of plan experience	512	-
Interest on accrued benefits	1,818	1,965
Benefits accrued with interest	298	392
	3,443	2,357
DECREASE IN ACCRUED DISABILITY BENEFITS:		
Benefits paid with interest	5,960	6,309
	5,960	6,309
Actuarial present value of accrued disability benefits, end of year	28,615	31,132
Unfunded liability	$ 28,615	$ 31,132

The disability liability is based on a number of assumptions about future events, including interest rate, rate of salary increase, inflation rate, mortality, retirement rates and termination rates. The actual rates may vary significantly from the long-term assumptions used.

The assumptions used in determining the actuarial value of accrued disability benefits were the same as for determining the accrued pension benefits (See Note 8).

The following illustrates the effect of changing certain assumptions from the assumed rates of salary 3.5%, interest 5.6% and inflation 2.5%.

	Long-term assumptions					
Effect on Liability	Salary		Interest rates		Inflation	
	2.5%	4.5%	4.6%-4.0%	6.6%-6.0%	1.5%	3.5%
(Decrease) increase ($000s)	$(33)	$33	$1,005	$(946)	$377	$(366)

The disability liability is long-term in nature and there is no market for settling these obligations. Therefore, determination of the fair value for the disability liability is not practicable.

Assumption changes arise when the assumptions change from the previous valuation to the current valuation. In the June 30, 2007 valuation, the changes in assumptions included changes to the discount rate, the mortality rate, the salary increase assumption and the retirement scale. These assumption changes increased the accrued disability liability in aggregate by $815,000.

Net experience gains or losses result from the differences between the actual and expected number of new disabilities, recoveries and deaths among those currently receiving benefits, non-disability decrement experience on active and inactive members and other miscellaneous experience gains and losses. In the June 30, 2007 valuation, these experience gains or losses increased the accrued disability liability in aggregate by $512,000.

11. Cash Flow Forecast

The total cash inflow is the amount of contributions and investment income expected to be received by the pension plan. The GRF contributions include matching contributions and additional amounts contributed pursuant to section 9(4) of the Act. The total cash outflow is the amount required to pay all pension obligations. The cash required is the amount by which the cash outflows exceed cash inflows and is forecast to the year 2038. The cash required will be funded from the proceeds of disposals of investments for the period 2007 to 2030.

The forecast of cash inflows and outflows have been determined using the long-term assumptions used in the June 30, 2007 valuation. All amounts shown are based on actual dollar forecasts.

	Cash inflows				
	Teachers Contributions	GRF Contributions	Investment Income	Cash Outflows	Cash Required
	($ 000s)	($ 000s)	($ 000s)	($ 000s)	($ 000s)
2008-09	$ 9,211	$ 116,717	$ 111,765	$ 316,935	$ 79,242
2009-10	7,824	100,419	105,364	326,743	113,136
2010-11	6,414	90,021	96,867	335,295	141,993
2011-12	5,150	105,003	87,265	343,333	145,915
2012-13	4,092	133,938	77,964	348,576	132,582
Total within 5 years	$ 32,691	$ 546,098	$ 479,225	$ 1,670,882	$ 612,868
Total 6 to 10 years	$ 9,600	$ 986,150	$ 275,539	$ 1,751,324	$ 480,035
Total 11 to 30 years	$ 1,375	$ 4,790,170	$ 305,141	$ 5,717,493	$ 620,807

12. Fair Value of Financial Assets and Financial Liabilities

For the following financial instruments the fair value approximates their carrying value due to the immediate or short-term nature of these instruments. These financial instruments are interest and non-interest bearing and are due or payable within the next year.

- Cash
- Due from GRF
- Accrued investment income
- Teachers' contributions receivable and GRF contributions receivable
- Accounts Payable
- Due to GRF

For investments, fair values are considered to be market value, the calculation of which is described in Note 2.

The actuarial accrued pension benefits are long-term in nature and there is no market for settling these obligations. Therefore, determination of the fair value of the actuarial accrued pension benefits is not practicable (see Note 8).

13. Comparative Figures

Certain prior year balances have been reclassified to conform with the current year's financial statement presentation.

SCHEDULE 1
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS AND ACCRUED INTEREST AS AT JUNE 30 (UNAUDITED)

	2008		2007	
	Total Fair Value ($000s)	Accrued Interest ($000s)	Total Fair Value ($000s)	Accrued Interest ($000s)
Canada and Canada Guaranteed	$ 155,038	$ 842	$ 339,454	$ 2,147
Provincial and Provincially Guaranteed	188,107	1,631	178,411	1,396
Urban Municipalities And Hospitals	11,277	65	8,945	69
Corporate Debentures	214,388	2,379	127,514	1,385
Corporate Shares	337,456	520	387,487	679
Pooled Funds	388,083	-	474,496	-
Insured Mortgages - Principal and Real Estate	186,311	4	167,791	4
Short Term	25,113	40	45,762	191
Private Equity	23,013	-	16,803	-
Total	**$ 1,528,786**	**$ 5,481**	**$ 1,746,663**	**$ 5,871**

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2008
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
DEBENTURES:			
Government of Canada	Jun. 01, 2009	3.75	320,677,826
Government of Canada	Sep. 01, 2011	3.75	55,979,122
Government of Canada	Jun. 01, 2012	3.75	24,309,724
Government of Canada	Jun. 01, 2016	4.00	42,623,351
Government of Canada	Jun. 01, 2017	4.00	102,453,814
Government of Canada	Jun. 01, 2018	4.25	20,408,865
Government of Canada	Jun. 01, 2033	5.75	31,457,337
Government of Canada	Jun. 01, 2037	5.00	83,198,924
Alberta Capital Finance Authority	Jun. 15, 2017	4.65	1,855,865
Alberta Treasury	Jun. 03, 2013	3.85	2,337,372
Bank of Montreal	Jun. 10,2015	5.18	2,115,027
Bank of Montreal	Jul. 17, 2017	5.45	2,399,251
Bank of Montreal	Sep. 04, 2012	5.04	1,956,667
Bank of Montreal	Mar. 28, 2023	6.17	2,554,234
Bank of Nova Scotia Halifax	Jun. 08, 2010	4.93	5,030,145
Bank of Nova Scotia Halifax	Feb. 15, 2011	4.58	7,563,546
Bank of Nova Scotia Halifax	Mar.19, 2018	1.00	4,114,259
British Columbia Ferry Services	Jan. 11, 2038	5.58	1,668,000
Broadway CCT	Jun. 17, 2013	5.45	1,739,000
Canada Housing Trust	Sep.15, 2009	4.65	17,262,431
Canada Housing Trust	Sep.15, 2010	1.00	43,642,625
Canada Housing Trust	Sep.15, 2010	3.55	17,589,077
Canada Housing Trust	Sep.15, 2011	4.60	9,794,100
Canada Housing Trust	Jun. 15, 2012	4.00	3,895,384
Canada Housing Trust	Jun.15, 2013	3.60	35,421,285
CIBC	Sep. 10, 2012	5.00	1,749,634
CIBC Toronto	Jun. 06, 2018	5.15	2,959,732
Citigroup Financial Canada	May 21, 2013	5.50	2,561,460
CU Inc.	May 26, 2028	5.56	1,404,000
Deere John Credit Inc.	Jan. 25, 2010	4.60	1,209,080
Deere John Credit Inc.	Oct. 18, 2010	5.25	1,390,277
Deere John Credit Inc.	Jul. 27, 2012	5.30	1,496,375
Epcor Utilities	Jan. 31, 2018	5.80	4,072,320
Epcor Utilities	Apr. 15, 2038	6.65	1,642,181
Farm Credit Corporation	Jun. 01, 2009	4.50	4,707,456
Financement Quebec	Sep. 16, 2013	1.00	18,164,845
Finning International	Jun. 01, 2018	6.02	2,390,469
407 International Inc.	Oct. 04, 2010	4.90	1,656,640
407 International Inc.	Jan. 31, 2011	5.00	2,644,019
GE Capital Funding	Jan. 17, 2017	4.55	1,495,282
GE Capital Funding	Oct. 22, 2037	5.73	2,318,846
Glacier Credit Card Trust	Feb. 20, 2013	5.03	3,633,000
Greater Toronto Airports	Jan. 30, 2012	6.25	2,144,906

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2008
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Greater Toronto Airports	Apr. 17, 2018	5.26	3,496,720
Honda Canada Finance	Nov. 30, 2010	5.31	1,608,000
Honda Canada Finance	May 09, 2013	5.08	3,452,000
Hydro One Inc.	Mar. 03, 2011	4.08	2,706,540
Hydro One Inc.	Oct. 18, 2017	5.18	4,666,050
Hydro Quebec	Aug. 15, 2020	11.00	4,177,323
International Bank for Recon	Dec. 15, 2012	4.30	8,027,884
Manulife Financial Corp.	Jun. 26, 2015	5.16	2,603,000
Merrill Lynch	May 05, 2011	5.80	1,475,794
Municipal Finance Authority BC	Apr. 19, 2016	4.65	1,933,794
Municipal Finance Authority BC	Dec. 01, 2017	4.80	6,943,473
Municipal Finance Authority BC	Apr. 23, 2018	4.60	4,319,176
Province of British Columbia	Dec. 18, 2012	4.70	3,658,582
Province of British Columbia	Dec. 01, 2017	4.70	5,384,867
Province of Manitoba	Mar. 05, 2018	4.25	2,079,542
Province of Ontario	Oct. 01, 2008	1.00	27,002,324
Province of Ontario	Dec. 02, 2012	4.50	4,224,313
Province of Ontario	Mar. 08, 2017	4.30	4,247,874
Province of Ontario	Mar. 08, 2018	4.20	7,193,424
Province of Ontario	Jun. 02, 2018	5.50	5,598,143
Province of Ontario	Jun. 02, 2037	4.70	5,330,118
Province of Quebec	Oct. 01, 2012	6.00	9,746,055
Province of Quebec	Dec. 01, 2014	5.50	9,105,727
Province of Quebec	Dec. 01, 2017	4.50	4,291,747
Province of Quebec	Dec. 01, 2018	4.50	6,756,864
Province of Quebec	Dec. 01, 2036	5.75	2,188,158
Province of Saskatchewan	Sep. 05, 2017	4.65	2,460,309
Province of Saskatchewan	Mar. 05, 2037	5.00	2,556,479
Province of Saskatchewan	Jun. 01, 2040	4.75	5,194,157
Royal Bank of Canada	Aug. 15, 2012	5.20	2,446,816
Royal Bank of Canada Montreal	Mar. 11, 2018	1.00	5,860,000
Royal Bank of Canada Montreal	Jun. 20, 2014	4.97	1,949,278
Royal Office Finance Ltd. Partnership	Nov. 12, 2032	5.21	11,290,887
Scotiabank Sub NTS Trust	Nov. 01, 2017	1.00	1,994,183
Shoppers Drug Mart Inc.	Jun. 03, 2013	4.99	1,868,562
Sun Life Financial Inc.	Jan. 30, 2023	5.59	2,830,272
Telus Corp.	Apr. 15, 2015	5.95	4,296,570
Terasen Gas Inc.	May 13, 2038	5.80	2,117,118
Thomson Corp.	Dec. 01, 2014	5.20	1,558,179
Thomson Corp.	Jul. 15, 2015	5.70	2,188,011
Toronto Dominion Bank	Nov. 19, 2012	5.14	2,523,000
Toronto Dominion Bank	Nov. 01, 2017	1.00	2,889,000
Toronto Dominion Bank	Apr. 02, 2020	5.48	2,725,000
Toronto Dominion Bank Ont.	Feb. 13, 2013	4.85	5,456,794

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2008
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Wells Fargo Financial CDA Corp.	Feb. 28, 2011	4.45	4,125,600
Woodbridge Finance Corp.	Oct. 18, 2010	5.32	1,895,000
SHARES:			
Accenture Ltd. Bermuda		–	494,648
Aeroplan Income Fund		–	4,255,841
Aflac Inc.		–	2,828,163
AGF Management Ltd.		–	167,405
Agrium Inc.		–	1,513,117
Apple Inc.		–	274,365
Applied Materials Inc.		–	1,126,964
AT & T Inc.		–	422,245
Bank of America Corporation		–	428,517
Bank of New York Mellon Corp.		–	2,776,703
Bank of Nova Scotia Halifax		–	898,686
Barrick Gold Corp.		–	7,140,752
Becton Dickinson & Co.		–	2,204,166
Berkley W R Corp		–	560,444
Bombardier Inc.		–	4,386,551
Brookfield Asset Mgmt. Inc.		–	1,570,021
Brookfield Infrastructure Ltd. Partnership		–	100,362
Brookfield Properties Corporation		–	44,379
Bunge Limited		–	2,594,961
CAE Inc.		–	713,194
Cameco Corp.		–	1,369,738
Canadian Imperial Bank of Commerce		–	2,029,929
Canadian National Railway Co.		–	163,008
Canadian Natural Resources		–	6,743,665
Canadian Pacific Railway		–	6,333,438
Canadian Tire		–	1,710,170
CGI Groupe Inc.		–	2,799,116
Chevron Corp.		–	3,797,097
Cisco Systems Inc.		–	650,592
Corning Inc.		–	1,005,280
Deere + Co.		–	719,619
Dell Inc.		–	2,298,464
Denbury Resource Inc.		–	2,105,770
Duvernay Oil Corp.		–	3,043,877
Emerson Electric Company		–	3,476,690
Encana Corp.		–	11,593,856
Ensign Energy Services Inc.		–	471,286
Express Scripts Inc.		–	358,150
Exxon Mobil Corp.		–	1,617,593
Finning International Inc.		–	226,501
FNX Mining Co.		–	1,425,237

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2008
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Fording Canadian Coal Trust		--	3,240,789
FPL Group Inc.		--	881,577
Franklin Resources Inc.		--	282,277
Freeport McMoran Copper & Gold		--	2,388,621
GE Asset Management Inc. - Private Equity		--	9,059,879
Gildan Activewear Inc.		--	1,188,026
Gilead Sciences Inc.		--	395,924
Google Inc.		--	252,366
Greystone EAFE Plus Fund		--	60,610,923
Greystone Small Cap Fund		--	11,076,536
Greystone US Strategic Growth		--	285,284
Greystone US Strategic Value		--	1,899,493
Halliburton Co.		--	2,332,379
Heinz H J Co.		--	2,643,051
Honeywell International Inc.		--	348,567
Hudbay Minerals Inc.		--	61,414
Husky Energy Inc.		--	743,728
International Business Machines		--	577,072
Itron Inc.		--	1,241,487
Jones Lang Lasalle Inc.		--	2,946,407
Kellogg Co.		--	260,910
Kroger Co.		--	1,583,628
Lam Resh Corp.		--	277,883
Lockheed Martin Corp.		--	711,430
Macdonald Dettwiler and Associates		--	114,504
Magna International Inc.		--	4,110,315
Manitowoc Inc.		--	1,036,588
Manulife Financial Corp.		--	430,130
McDonalds Corp.		--	1,327,801
Merck + Co. Inc.		--	58,670
Microsoft Corp.		--	2,013,989
Monsanto Company		--	2,195,572
Nexen Inc.		--	4,352,760
Nike Inc.		--	3,154,309
Nortel Networks Corp.		--	4,196,807
Occidental Pete Corp.		--	2,600,578
Oceaneering International Inc.		--	2,794,922
Omnicom Group		--	237,283
Open Text Corp.		--	2,099,787
Oracle Corp.		--	2,836,147
Pan American Silver Corp		--	834,725
Pepsico Inc.		--	371,802
Petro Canada		--	5,793,728
Petrobank Energy & Resources Ltd.		--	3,518,854

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2008
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Potash Corp. Sask. Inc.		--	9,078,949
Power Corp. Canada		--	849,284
Praxair Inc.		--	559,605
Proctor & Gamble Co.		--	296,067
Research in Motion		--	720,659
Rogers Communications Inc.		--	620,065
Royal Bank of Canada		--	533,840
Saputo Inc.		--	2,679,436
Saskatchwean Wheat Pool Inc.		--	3,036,506
Schlumberger Ltd.		--	204,444
Select Sector SPDR Trust		--	1,768,085
Shaw Communications		--	221,176
Sherritt International Corp.		--	3,077,730
Shoppers Drug Mart Corp.		--	550,204
SINO Forest Corp.		--	3,148,647
SNC Lavalin Group Inc.		--	302,090
Suncor Energy Inc.		--	5,421,738
Teck Cominco Ltd.		--	131,453
Telus Corp.		--	207,333
Thermo Fisher Scientific Inc.		--	3,102,939
Thompson Creek Metals Co. Inc.		--	2,897,773
Tim Horton's Inc.		--	1,355,705
Toronto Dominion Bank		--	17,762,273
Transalta Corp.		--	1,772,953
Transcanada Corp.		--	836,234
Transocean Inc.		--	2,786,473
Ultra Pete Corp.		--	1,664,845
UnitedHealth Group Inc.		--	628,868
Valero Energy Corp.		--	1,271,775
Viterra Inc.		--	46,901
Wachovia Corp.		--	28,502
Walmart Stores Inc.		--	3,167,143
WestJet Airlines Ltd.		--	2,190,963
Yamana Gold Inc.		--	6,114,767
Zimmer Holdings Inc.		--	1,596,252
MORTGAGES AND REAL ESTATE:			
Albert & Bank		--	1,645,994
BC Ltd. British Columbia		--	2,153,056
Explorer Drive		--	536,400
GPMI - Ipsco, Alberta		--	2,422,050
GPMI - Sunrise Towne Square		--	329,126
KS Equities Inc.		--	21,819
KS Equities No 3 Inc.		--	1,857,269
Lougheed Equities		--	177,310

SCHEDULE 2
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2008
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Rutherford Properties Ltd.		--	973,415
Silver Seven Equities Inc.		--	942,264
TV Equities Inc.		--	4,459,981
University Equities		--	152,575
West Island Equities Inc.		--	605,044
Wireless Way Equities Inc.		--	1,436,531
SHORT TERM:		--	862,140,021
Total			**$ 2,308,424,472**

SCHEDULE 3
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2008
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
DEBENTURES:			
Government of Canada	Jun. 01, 2009	3.75	331,801,630
Government of Canada	Jun. 01, 2010	5.50	26,681,679
Government of Canada	Sep. 01, 2011	3.75	93,261,128
Government of Canada	Sep. 01, 2012	3.75	23,002,923
Government of Canada	Jun. 01, 2014	5.00	16,801,789
Government of Canada	Jun. 01, 2016	4.00	81,608,728
Government of Canada	Jun. 01, 2017	4.00	104,507,563
Government of Canada	Jun. 01, 2018	4.25	20,536,676
Government of Canada	Jun. 01, 2033	5.75	71,271,106
Government of Canada	Jun. 01, 2037	5.00	83,937,480
Aeroports De Montreal	Oct. 11, 2033	6.61	344,250
Alberta Capital Finance Authority	Jun. 15, 2016	4.35	3,708,576
Alberta Capital Finance Authority	Jun. 15, 2017	4.65	2,157,390
Alberta Capital Finance Authority	Dec. 15, 2025	4.45	1,325,700
Alliance Pipeline	Jun. 30, 2023	7.18	848,503
Bank of Montreal Que.	Jan. 31, 2011	4.69	300,690
Bank of Montreal Que.	Sep. 04, 2012	5.04	1,950,339
Bank of Montreal Que.	Jul. 17, 2017	5.45	299,580
Bank of Montreal Que.	Apr. 22, 2020	1.00	2,430,423
Bank of Nova Scotia Halifax	Feb. 18, 2010	3.93	2,590,266
Bank of Nova Scotia Halifax	Jun. 08, 2010	4.93	5,101,060
Bell Aliant Regional	Sep. 26, 2011	4.72	240,869
Canada Housing Trust No. 1	Sep. 15, 2009	4.65	17,581,048
Canada Housing Trust No. 1	Sep. 15, 2010	1.00	34,809,105
Canada Housing Trust No. 1	Sep. 15, 2011	4.60	23,795,175
Canada Housing Trust No. 1	Sep. 15, 2010	3.55	3,242,271
Canada Housing Trust	Jun. 01, 2012	0.00	15,309,147
Canada Housing Trust	Jun. 15, 2012	4.00	44,629,022
Canada Housing Trust	Jun. 15, 2013	3.60	20,988,415
Canada Mortgage & Housing Corp.	Feb. 01, 2016	4.25	11,670,882
Canadian Imperial Bank	Sep. 10, 2012	5.00	1,773,215
Canadian Imperial Bank Toronto	Mar. 28,2016	4.55	297,900
Canadian Imperial Bank Toronto	Sep. 09, 2015	1.00	390,720
Citigroup Financial Canada	May 16, 2013	1.00	1,484,482
Financement Quebec	Sep. 16, 2020	5.07	18,133,159
Fortis Alberta Inc.	Oct. 31, 2034	6.22	445,000
GE Capital Canada Funding Co.	Oct, 23, 2009	5.65	1,473,905
GE Capital Canada Funding Co.	Jan. 17, 2017	4.55	846,630
Glacier Credit Card Trust	Nov. 20, 2008	4.44	4,094,467
Glacier Credit Card Trust	Feb. 20, 2013	5.03	1,890,284
Greater Toronto Airports	Dec. 13, 2012	6.25	325,500
Greystone Capital	Oct. 24, 2007	7.00	200,000
International Bank for Recon	Dec. 15,2012	4.30	2,367,129
Municipal Finance Authority BC	Apr. 19, 2016	4.65	8,210,376

SCHEDULE 3
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2008
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Ontrea Inc.	Apr. 09, 2013	5.57	2,151,400
Province of British Columbia	Dec. 18, 2015	5.15	3,719,062
Province of British Columbia	Dec. 01, 2017	4.70	5,604,575
Province of British Columbia	Jun. 18, 2029	5.70	3,631,371
Province of British Columbia	Jun. 18, 2037	4.70	2,816,220
Province of Manitoba	Nov. 15, 2018	5.50	5,302,223
Province of New Brunswick	Jun. 15,2010	6.38	1,174,580
Province of New Brunswick	Feb. 04, 2015	4.50	966,815
Province of Newfoundland	Apr. 17,2037	4.50	1,714,840
Province of Ontario	Oct. 01, 2008	2.67	27,000,312
Province of Ontario	Dec. 02, 2012	4.50	641,700
Province of Ontario	Mar. 08, 2017	4.30	6,046,116
Province of Ontario	Mar. 08, 2018	4.20	7,202,920
Province of Ontario	Jun. 02, 2018	5.50	4,927,182
Province of Ontario	Jun. 02, 2020	4.85	2,042,213
Province of Ontario	Jun. 02, 2037	4.70	2,205,659
Province of Quebec	Oct. 01, 2012	6.00	5,364,233
Province of Quebec	Dec. 01, 2010	6.25	8,633,179
Province of Quebec	Dec. 01, 2014	5.50	1,567,296
Province of Quebec	Dec. 01, 2017	4.50	11,075,761
Province of Quebec	Jun. 01, 2032	6.25	554,070
Province of Saskatchewan	Sep. 05, 2031	6.40	1,036,255
RBC Sub NTS Trust	Apr. 30, 2017	1.00	3,669,803
Royal Bank of Canada	Aug. 15, 2012	5.20	307,050
Royal Bank of Canada	Nov. 04, 2018	1.00	1,308,680
Royal Bank of Canada Montreal	Jun. 05, 2014	4.97	403,240
Scotiabank Sub NTS Trust	Nov. 01, 2017	1.00	2,025,047
Toronto Dominion Bank	Nov. 19, 2012	5.14	2,568,976
Toronto Dominion Bank	Jan. 18, 2016	1.00	2,295,676
Toronto Dominion Bank	Nov. 01, 2017	1.00	304,530
Toronto Dominion Bank Ont.	Feb. 13, 2013	4.85	504,145
Toronto Dominion Bank Ont.	Dec. 14, 2105	1.00	371,888
Wells Fargo Financial Canada Corp.	Jun. 29, 2009	4.75	1,914,402
Wells Fargo Financial Canada Corp.	Dec. 06, 2013	4.33	293,100
SHARES:			
Accenture Ltd. Bermuda		--	496,716
Aeroplan Income Fund.		--	1,288,350
Aflac Inc.		--	657,205
AGF Management Ltd.		--	1,532,126
Agrium Inc.		--	3,898,309
Alcan Inc.		--	8,588,925
Alimentation Couche-Tard Inc.		--	2,307,916
Apple Inc.		--	1,017,990

SCHEDULE 3
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2008
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Applied Materials Inc.		--	82,660
AT & T Inc.		--	1,190,702
Bank of America Corporation		--	2,935,509
Bank of New York Mellon Corp.		--	209,135
Bank of Nova Scotia Halifax		--	5,584,870
Barrick Gold Corp.		--	1,472,087
Becton Dickinson + Co.		--	173,906
Berkley W R Corp.		--	522,309
Brookfield Asset Mgmt. Inc.		--	3,421,032
Brookfiled Infrastructure Ltd. Partnership		--	90,843
Brookfield Properties Corporation		--	1,573,080
Bunge Limited		--	813,634
CAE Inc.		--	829,790
Cameco Corp.		--	6,413,841
Canadian Imperial Bank of Commerce		--	7,402,209
Canadian National Railway Co.		--	6,285,533
Canadian Natural Resources Ltd.		--	2,089,796
Canadian Pacific Railway		--	2,159,665
Canadian Tire Ltd.		--	1,900,586
CGI Group Inc.		--	314,871
Chevron Corp.		--	3,604,186
Cisco Systems Inc.		--	726,582
Citigroup Inc.		--	2,923,486
Coach Inc.		--	2,058,508
Corning Inc.		--	634,549
Deere + Co.		--	1,925,441
Dell Inc.		--	1,771,995
Denbury Resources Inc.		--	569,280
Duvernay Oil Corp.		--	2,137,687
Emerson Electric Co.		--	744,117
Encana Corporation		--	2,254,311
Express Scripts Inc.		--	1,116,289
Exxon Mobil Corp.		--	6,167,616
Finning International Inc.		--	1,992,828
First Quantum Minerals Ltd.		--	2,032,424
FNX Mining Co. Inc.		--	1,082,287
FPL Group Inc.		--	1,238,835
Franklin Resources Inc.		--	957,594
Freeport McMoran Copper + Gold		--	2,531,456
GE Asset Management Inc. - Private Equity		--	2,037,575
Gildan Activewear Inc.		--	3,169,238
Gilead Sciences Inc.		--	1,270,348
Goldcorp. Inc.		--	6,124,803
Google Inc.		--	2,348,586

SCHEDULE 3
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2008
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Greystone EAFE Plus Fund		--	39,131,962
Greystone Canadian Small Cap Fund		--	8,800,000
Greystone US Strategic Growth		--	2,625,000
Greystone US Strategic Value		--	1,390,000
Halliburton Co.		--	195,305
Heinz H J Co.		--	234,884
Honeywell International Inc.		--	1,110,942
Hudbay Minerals Inc.		--	2,073,541
Husky Energy Inc.		--	4,313,307
International Business Machines		--	1,344,361
Inventiv Health Inc.		--	1,173,308
Itron Inc.		--	888,551
Jones Lang Lasalle Inc.		--	315,138
Kellogg Co.		--	2,965,468
Kroger Co.		--	647,442
Lam Resh Corp.		--	1,961,920
Lionore Mining International Ltd.		--	2,721,813
Lockheed Martin Corp.		--	820,188
MacDonald Dettwiler + Associates		--	816,675
Magna International Inc.		--	3,203,723
Manitowoc Inc.		--	949,398
Manulife Financial Corp.		--	9,124,046
McDonalds Corp.		--	1,343,639
McGraw Hill Cos. Inc.		--	2,318,446
Merck + Co. Inc.		--	3,086,136
Merrill Lynch & Co. Inc.		--	2,509,614
Microsoft Corp.		--	1,332,460
Monsanto		--	1,100,174
Nabors Industries Ltd.		--	1,741,908
National Bank of Canada Montreal Que.		--	3,275,124
National Oilwell Varco Inc.		--	3,505,020
Nexen Inc.		--	2,487,260
Nike Inc.		--	619,860
Nordstrom Inc.		--	1,670,560
Nortel Networks Corp.		--	1,487,845
Oceaneering International Inc.		--	1,109,881
Open Text Corp.		--	150,652
Omnicom Group Inc.		--	808,911
Oracle Corp.		--	549,282
Pan America Silver Corp.		--	1,197,992
Pepsico Inc.		--	1,437,961
Petro Canada		--	6,144,222
Petrobank Energy + Resources Ltd.		--	1,021,239
Potash Corp. Sask. Inc.		--	6,553,012

SCHEDULE 3
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2008
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
Power Corporation of Canada	–	–	4,991,537
Praxair Inc.	–	–	1,835,395
Proctor & Gamble Co.	–	–	1,304,838
Research in Motion Ltd.	–	–	8,819,671
Rogers Communications Inc.	–	–	4,483,012
Rona Inc.	–	–	457,761
Royal Bank of Canada Montreal Que.	–	–	13,816,206
Saputo Inc.	–	–	421,507
Saskatchewan Wheat Pool Inc.	–	–	285,852
Schlumberger Ltd.	–	–	3,729,507
Select Sector SPDR Trust	–	–	1,779,059
Shaw Communications	–	–	1,766,489
Sherritt International Corp.	–	–	900,351
Shoppers Drug Mart Corp.	–	–	2,775,180
SINO Forest Corp.	–	–	911,116
SNC Lavalin Group Inc.	–	–	1,897,528
Suncor Energy Inc.	–	–	6,245,223
Teck Cominco Ltd.	–	–	6,157,567
Telus Corp.	–	–	6,232,539
Thermo Fisher Scientific Inc.	–	–	618,188
Thompson Creek Metals Co. Inc.	–	–	948,188
Tim Horton's Inc.	–	–	1,931,972
Toronto Dominion Bank Ont.	–	–	5,804,605
Transalta Corp.	–	–	914,273
TransCanada Corp.	–	–	3,411,173
Transocean Inc.	–	–	212,766
Trican Well Service Ltd.	–	–	2,066,611
Ultra Pete Corp.	–	–	138,347
UnitedHealth Group Inc.	–	–	2,865,014
US Bancorp Del.	–	–	2,584,228
Valero Energy Corp.	–	–	2,986,690
Viterra Inc.	–	–	711,898
Wachovia Corp.	–	–	2,035,524
Walmart Stores Inc.	–	–	259,737
WestJet Airlines Ltd.	–	–	291,803
Yamana Gold Inc.	–	–	1,876,460
Zimmer Holdings	–	–	2,016,106
Brokerage Fees	–	–	406,694
MORTGAGES AND REAL ESTATE:			
BC Ltd. British Columbia	–	–	2,151,953
KS Equities Inc.	–	–	3,450,851
KS Equities No. 3 Inc.	–	–	912,485
Parkway Office – Mortgage	–	–	65,970
Saskpen Properties Ltd.	–	–	5,090,234

SCHEDULE 3
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2008
(UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
TV Equities Inc.		--	2,810,445
SHORT-TERM:			882,737,328
TOTAL			$ **2,457,052,366**

SCHEDULE 4
TEACHERS' VOLUNTARY CONTRIBUTIONS FUND
SCHEDULE OF INVESTMENTS AND ACCRUED INTEREST, AS AT JUNE 30, 2008
(UNAUDITED)

Investments	2008 Total Fair Value ($000s)	2008 Accrued Interest ($000s)	2007 Total Fair Value ($000s)	2007 Accrued Interest ($000s)
Pooled Funds	$ 4,222	$ --	$ 3,963	$ --
Total	$ 4,222	$ --	$ 3,963	$ --

SCHEDULE 5
VOLUNTARY CONTRIBUTIONS FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2008
(UNAUDITED)

Investments	Fair Value
POOLED FUNDS:	
Greystone Canadian Equity Fund	$ 311,280
Greystone EAFE Plus Fund	103,137
Greystone US Equities Fund	27,244
Greystone Fixed Income Fund	369,247
Greystone Money Market Fund	183,591
TOTAL	**$ 994,499**

SCHEDULE 6
VOLUNTARY CONTRIBUTIONS FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2008
(UNAUDITED)

Investments		Fair Value
POOLED FUNDS:		
Greystone Canadian Equity Fund	$	264,001
Greystone EAFE Plus Fund		40,000
Greystone US Equities Fund		40,000
Greystone Fixed Income Fund		270,000
Greystone Money Market Fund		60,294
TOTAL	**$**	**674,295**

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